

PRIME MINISTER

MEETING WITH ISRAELI/JEWISH CORRESPONDENTS

Mr. Murray's note describes the arrangements. The main issues are likely to be as follows:

- Invitation to a joint Jordanian/Palestinian delegation. The arguments are set out in your letter to Mr. Fidler (which the correspondents will have seen) of which I attach a copy. You may be challenged with the assertion that both Milhem and Khoury have made statements in support of armed struggle. We can't monitor every word they say and one has to lay off a bit for traditional Palestinian rhetoric. The fact is that Milhem and Khoury are trying to move the PLO into the path of peaceful negotiation and have called for a peaceful settlement. They have committed themselves (through the Jordanians) to make this clear when they come to London. We look to them to honour their promise. You may also be challenged with the argument: if you are ready to talk to the PLO, why not the IRA? We are not of course going to talk to the PLO, only to two individual Palestinians who will be members of a joint delegation. There is no question of our having dealings with terrorists. The fact is that the PLO are widely regarded by most Palestinians as their spokesmen, and we cannot absolutely refuse any contact with people associated with them provided they are individuals who renounce terrorism and violence.

- Arms sales to Jordan. We don't announce details. But the Memorandum of Understanding signed during your visit covered a number of small items, and did not include any significant new weapons system. It

does not pose any conceivable threat to Israel's security.

- Tornado. You are absolutely committed to Israel's right to security and regard this as the yardstick against which you judge requests for arms by countries in the area. You recognise Israel's concern about Tornado and reflected very carefully before agreeing to the sale. You concluded that it would not affect the strategic balance in the region and were interested to see that the Americans share this assessment. Moderate Arab governments are entitled to our support and to be able to acquire arms for their defence (otherwise they may turn to the Soviet Union). Saudi Arabia faces a number of external threats, against which it must be able to defend itself. If you are asked about the possibility that the Tornados might be made available to other countries, you could say that certificates covering the non-transfer of the aircraft to third countries will be part of the final contract. You will want to reject any parallel with Israeli arms sales to Argentina. Saudi Arabia has not recently invaded Israel's territory nor is she remotely likely to do so.

- 'Embargo' on arms sales to Israel. We imposed restrictions at the time of Israel's invasion of South Lebanon but are always prepared to consider requests on a case by case basis. (The fact is that the Israelis don't want British arms).

- Peres' Visit. You are looking forward to this and are determined to make it a success. You hope to go to Israel, if the invitation is confirmed, in the first half of next year.

/- Peace

- Peace negotiations. We agree that there will have to be direct negotiations, but in a framework to be agreed.

C D P

CHARLES POWELL

27 September 1985

P.S. There is an allegation in the Israeli press that Khoury was expelled from the West Bank for arms smuggling.

The facts are that he was suspected by Israel in 1969 of arms smuggling and expelled. But he was never tried & no case was proven.

C D P

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MILHEM, Muhammad Hassan Abdul Rahman

Mayor of Halhoul (in Exile). PLO Executive Committee member.

Born 1929 in Halhoul. Muslim. Now lives in Amman.

After studying in Jerusalem and Beirut he taught in Hebron, Saudi Arabia and Halhoul a small town near Hebron, in an area which has always been a flashpoint between settlers and the Arab population. He was elected Mayor in 1976. A Palestinian nationalist, who took a robust line vis-a-vis the Israeli Government on municipal affairs.

An intelligent man, he has frequently, in the past, found himself acting as spokesman for West Bank Mayors. This, however, is the result of his command of the English language and his skill in presenting a case; his qualities of leadership remain largely untested.

In 1980 following an armed attack on Jewish settlers in Hebron, Milhem and the Mayor of Hebron were accused of incitement (not actual involvement in the incident or its planning) and were deported. When he addressed the Security Council on 20 May 1980 immediately after his expulsion, he said that he was not committed to war or violence. His highly articulate interviews with the media made him a particular target for Israeli sanctions.

A frequent traveller in the West when in London has held talks with Ministers (Mr Luce 21 May 1984). He also met US Secretary of State George Shultz in Washington in November 1983. Elected to PLO Executive Committee (as an "Independent") in November 1984 with responsibility for Education.

We have no record of his ever having any military responsibilities. In July 1985: in an interview with 'Al Fajr' (a Jerusalem Weekly). He said "armed resistance" was an option and was sceptical about prospects of Jordan/PLO Agreement. Attended Liberal Party Conference (September 1985).

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KHOURY, Bishop Elia

Member of the PLO Executive Committee.

Assistant (Anglican) Bishop in Amman of the Diocese of Jerusalem. Head of the Anglican Church in Ramallah until deported by the Israelis in 1969 for alleged complicity in obtaining materials for bombings in Tel Aviv and Jerusalem. Khoury denied any conscious association with terrorism; he was neither charged nor sentenced. Served on the PLO Executive Committee 1974-77, having been elected in absentia. At the time he said that the PLO wanted to tell the West that Palestinian question was a Christian-Moslem cause. Does not appear to have been particularly active or outspoken. Re-elected at the Amman PNC November 1984.

Currently Director of the Ahlia Girls School in Amman. While in the West Bank had the reputation of being an outspoken Palestinian nationalist. Married to the sister of Kamal Nasser, former PLO spokesman murdered in 1973.

Was invited to visit UK by the Church Missionary Society in October 1984 but declined because of his wife's illness. He visited UK the following month under Arab League auspices for a 'Palestine Week'.

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CC M. ALISON A/J.P.

PRIME MINISTER'S INTERVIEW WITH ISRAELI JOURNALIST
NOTE ON RECENT TERRORIST INCIDENTS

Rome Bomb Attack

1. Responsibility for bomb attack on British Airways office in Rome on 25 September claimed by Revolutionary Organisation of Socialist Moslems. Believe they have called for the release of (unspecified) prisoners in UK. Know little about ROSM. The organisation has claimed responsibility for a number of attacks on UK interests.
2. UK has always taken a firm stand against terrorism. We have made it clear that our policy is to make no substantive concessions to those who engage in terrorism. We will not change this policy in the face of violent acts against British interests wherever they may occur.
3. We are in close touch with Italian authorities about this incident (and with Greek authorities about bombings of hotels in Glyfada also claimed by ROSM). Hope that interrogation of suspect arrested by Italian Police will produce results. (PLO involvement? Note that PLO have announced that they wholeheartedly condemn acts of terrorism such as attacks on BA office which they see as representing indirect attack on PLO interests.)

Cyprus Killings

4. Three terrorists took over an Israeli registered yacht in Larnaca marina on 25 September and murdered three Israelis on board. UK strongly condemns this and all acts of terrorism. Not aware who was responsible for the attack but statements by the PLO office in Nicosia condemned the attack and denied responsibility.

27 September 1985

concerned about PMs pressures

Aim: to report in reactions to "PLD" invitation